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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

ESCO DRUG CO., on behalf of itself and
all others similarly situated,

Plaintiffs,

v.

GOODRX, INC.; GOODRX
HOLDINGS, INC.; CVS CAREMARK
CORPORATION; EXPRESS SCRIPTS
HOLDING COMPANY; MEDIMPACT
HEALTHCARE SYSTEMS, INC.; and
NAVITUS HEALTH SOLUTIONS,
LLC,

Defendants.

Case No: 2:24-cv-10543

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

1 Plaintiff Esco Drug Co. (“Plaintiff”), an independent pharmacy, on behalf of
2 itself and all others similarly situated (the “Class,” as defined in ¶ 42 below), brings
3 the following Class Action (“Action”) against the above-captioned Defendants
4 GoodRx, Inc. and GoodRx Holdings, Inc. (collectively, “GoodRx” or the “GoodRx
5 Defendants”), and CVS Caremark Corporation (“Caremark”), Express Scripts Holding
6 Company (“Express Scripts”), MedImpact Healthcare Systems, Inc. (“MedImpact”) and Navitus Health Solutions, LLC (“Navitus”) (collectively “PBM Defendants”), for
7 violations of Section 1 of the Sherman Antitrust Act. This Complaint is based upon
8 personal knowledge as to Plaintiff and its own actions, and upon information and
9 belief, including the investigation of its counsel, as to all other matters and facts alleged
10 in this Complaint.
11

12 I. NATURE OF THE ACTION

13 1. This is an antitrust action under Section 1 of the Sherman Antitrust Act
14 on behalf of independent pharmacies arising from an illegal agreement to suppress the
15 prices paid by pharmacy benefit managers (“PBMs”) to independent pharmacies for
16 generic prescription medication.

17 2. Defendants agreed to act together to artificially suppress prescription drug
18 reimbursement rates paid to independent pharmacies and to increase fees charged to
19 pharmacies on all GoodRx-related transactions, under a scheme called the Integrated
20 Savings Program. This conspiracy has caused harm to independent pharmacies
21 throughout the United States.

22 II. PARTIES

23 3. Plaintiff Esco Drug Co. is incorporated under the laws of the State of New
24 York with its principal place of business in New York City. Plaintiff has suffered
25 economic harm as a result of the unlawful price fixing scheme alleged herein.

26 4. Defendant GoodRx, Inc. is a Delaware corporation with its principal place
27 of business located at 2701 Olympic Boulevard, West Building Suite 200, Santa
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1 Monica, California, 90404. It is a wholly owned subsidiary of GoodRx Intermediate
2 Holdings, LLC, which in turn is a wholly owned subsidiary of Defendant GoodRx
3 Holdings, Inc. GoodRx processes 2.5% of all prescription drug claims in the United
4 States.

5 5. Defendant GoodRx Holdings, Inc., is a Delaware corporation with its
6 principal place of business located at 2701 Olympic Boulevard, West Building Suite
7 200, Santa Monica, California, 90404.

8 6. Defendant Caremark is a Delaware corporation with its principal place of
9 business located at One CVS Drive, Woonsocket, Rhode Island, 02895. It is a wholly
10 owned subsidiary of CVS Health Corporation, a Delaware corporation with its
11 principal place of business located at the same address. In 2023, Caremark processed
12 34% of all prescription drug claims in the United States.

13 7. Defendant Express Scripts is a Delaware corporation with its principal
14 place of business located at One Express Way, Saint Louis, Missouri, 63121. It is a
15 wholly owned subsidiary of Express Scripts Holding Company, also a Delaware
16 corporation with its principal place of business at the same address. Express Scripts
17 Holding Company is itself a wholly owned subsidiary of The Cigna Group, a Delaware
18 Corporation with its principal place of business located at 900 Cottage Grove Road,
19 Bloomfield, Connecticut, 06002. Express Scripts commands a 23% market share in the
20 market for prescription drug claim reimbursements, measured by the total equivalent
21 prescription claims managed in 2023.

22 8. Defendant MedImpact is a privately held California corporation with its
23 principal place of business located at 10181 Scripts Gateway Court, San Diego,
24 California, 92131. MedImpact commands a 5% market share in the prescription drug
25 claim reimbursement market, measured by the total equivalent prescription claims
26 managed in 2023. MedImpact covers more than 55 million patients, or more than 18%
27 of covered lives.

1 9. Defendant Navitus is a privately held Wisconsin corporation with its
2 principal place of business at 361 Integrity Drive, Madison, Wisconsin, 53717. It is
3 jointly owned by SSM Health Care Corporation, a non-profit headquartered in Saint
4 Louis, Missouri, and Costco Wholesale Corporation, a Washington corporation with
5 its principal place of business located at 999 Lake Drive, Issaquah, Washington, 98027.
6 Navitus manages the prescription benefits of approximately 7 million Americans,
7 representing approximately 2.3% of covered lives.

8 10. Defendants Caremark, Express Scripts, MedImpact and Navitus are
9 collectively referred to in this Complaint as the “PBM Defendants.”

10 **III. JURISDICTION AND VENUE**

11 11. This Action arises under Section 1 of the Sherman Antitrust Act, 15
12 U.S.C. § 1, and Section 4 of the Clayton Act, 15 U.S.C. § 15(a).

13 12. The Court has subject matter jurisdiction under 28 U.S.C. §§ 1331(a) and
14 (d), 1337(a), and 15 U.S.C. § 15.

15 13. This Court has personal jurisdiction over the Defendants because the
16 Defendants either reside in this District and/or transact business in this District. In
17 addition, Defendants caused injury in this District through their anticompetitive
18 conduct.

19 14. Venue is appropriate within this district under 15 U.S.C. §§ 15(a), 22,
20 (nationwide venue for antitrust matters), and 28 U.S.C. § 1391(b), (c), and (d) (general
21 venue provisions).

22 **IV. FACTUAL ALLEGATIONS**

23 15. The pharmaceutical supply chain, by which pharmaceutical products
24 make their way from the manufacturing facility to the patient, is a complex process
25 that involves many players. The process includes, among others, manufacturers (*i.e.*,
26 brand-name and generic product manufacturers), distributors, pharmacies, prescribers,
27 providers (*i.e.*, hospitals), patients, and third-party payors (such as commercial health
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1 insurance companies, health plans, and various public insurance programs, and
2 hereinafter collectively referred to as the “TPPs”).

3 16. The TPPs negotiate contracts with pharmacies in order to build a network
4 of pharmacies that will dispense medications to members of the TPPs’ plans. Although
5 some plans include limited coverage for prescriptions that are filled at out-of-network
6 pharmacies, patients generally elect to fill prescriptions through in-network pharmacies
7 when possible in order to minimize the out-of-pocket cost incurred by the patient.

8 17. The vast majority of the costs of U.S. prescription drugs is paid for by
9 TPPs, rather than their patients. When the patients buy prescription drugs, the
10 pharmacies are required to obtain reimbursements from the TPPs.

11 18. TPPs retain PBMs to provide a number of administrative services,
12 including negotiating prices pursuant to which TPPs and their members will pay
13 pharmacies for prescriptions, and other contract terms. PBMs also adjudicate (*i.e.*,
14 process) claims submitted by pharmacies for reimbursement from TPPs on the pre-
15 negotiated prices.

16 19. In order to serve its TPP clients, a PBM creates a network of pharmacies
17 where patients can easily fill prescriptions under their insurance coverage provided by
18 the TPPs. In theory, PBMs compete against each other to recruit pharmacies into the
19 PBMs’ respective networks, offering inducements such as higher reimbursement rates,
20 and the prospect of higher patient volume.

21 20. At the same time, for pharmacies (especially local, independent
22 pharmacies that are not directly affiliated with any chain of pharmacies and are not
23 owned by a publicly traded company), being “in network” with large PBMs, such as
24 the PBM Defendants, is a matter of survival. These PBMs—among the largest PBMs
25 in the country—control pharmacies’ access to patients: if a pharmacy is not in a PBM’s
26 network, it cannot obtain reimbursement from health plans associated with the PBM,
27 and those insurers’ members will not patronize that pharmacy.

23. Today, the number of independent pharmacies has dropped substantially
and many that have survived are at imminent risk of insolvency.

25. Defendant GoodRx launched in 2011 as a provider of a discount card program for the purchase of prescription drugs. GoodRx offers its discounts by aggregating generic drug prices from multiple PBMs and using an algorithm to show patients the lowest available price for their specific prescription at local pharmacies. The patient can present a GoodRx discount code at the pharmacy counter to take advantage of GoodRx's prices. In exchange for an annual or monthly subscription fee, GoodRx allows patients to access further discounts at select pharmacies.

23 26. Since its inception in 2011, GoodRx has been a horizontal competitor of
24 PBMs for prescription drug reimbursements, even as it benefited from prices those
25 PBMs set. Each time a patient approached a pharmacy counter, they had a choice: they
26 could either use their prescription drug benefit or they could use GoodRx, but not both.

1 44. The members of the Class are so numerous that joinder would be
2 impracticable, as thousands of Class members exist.

3 45. Questions of law and fact common to the Class include whether
4 Defendants violated the Sherman Antitrust Act and whether the violation(s) injured the
5 Class members.

6 46. Plaintiff's claims are typical of those of other Class members because
7 Plaintiff, like every other Class member, was harmed as a result of the conduct alleged
8 herein. Plaintiff, like all other Class members, was injured by Defendants' uniform
9 conduct.

10 47. Plaintiff will fairly and adequately represent and protect the interests of
11 the Class members in that Plaintiff has no disabling or disqualifying conflicts of interest
12 that would be antagonistic to those of the other members of the Class. Plaintiff has
13 retained counsel experienced in antitrust class action litigation, and Plaintiff intends to
14 prosecute this action vigorously.

15 48. A class action is superior to other available methods for the fair and
16 efficient adjudication of this controversy. The pursuit of numerous individual lawsuits
17 would not be economically feasible for individual Class members.

18 49. The issues in this action are appropriate for class certification because
19 such claims present only common issues, the resolution of which would advance the
20 disposition of this matter and the parties' interests therein.

21 **VIII. CLAIMS FOR RELIEF**

22 **COUNT ONE**

23 **Agreement In Restraint Of Trade In Violation Of**
24 **Section 1 Of The Sherman Antitrust Act (15 U.S.C. § 1)**
25 **(Asserted Against All Defendants)**

26 50. Plaintiff incorporates by reference all preceding paragraphs and
27 allegations as if set forth fully herein.

57. Defendants perpetrated this scheme with the purpose of decreasing reimbursement rates, collecting additional fees for their own benefit, and evading the PBM Defendants' effective rate guarantee obligations to pharmacies.

58. Defendants' conduct in furtherance of the unlawful scheme described herein was authorized, ordered, or executed by their officers, directors, agents, employees, or representatives while actively engaging in the management of the defendants' affairs.

59. Defendants' cartel has caused Plaintiff and Class Members to suffer damages in the form of artificially suppressed reimbursement rates and payment of supra-competitive fees in GoodRx-related transactions.

60. The contract, combination, or conspiracy alleged herein has taken the form of a horizontal conspiracy between competitors in the market for pharmacy reimbursements.

61. In furtherance of this contract, combination, or conspiracy, the Defendants have committed various acts, including as follows:

(a) The PBM Defendants provided private, confidential, and detailed internal reimbursement data to GoodRx for use in comparing their negotiated reimbursement rates to rates aggregated by GoodRx.

(b) GoodRx integrated its reimbursement aggregator into the PBM Defendants' claims processing infrastructure, giving the PBM Defendants real-time access to competitors' negotiated prescription drug claim reimbursement rates, as well as sufficient information to identify the competitor that had negotiated the rates.

(c) Defendants used GoodRx's integrated data to calculate reimbursement rates for prescription drug claim reimbursement rates.

(d) The PBM Defendants paid reimbursements for prescription drug claims according to the rates supplied by GoodRx's integrated reimbursement aggregator.

1 (e) The PBM Defendants outsourced prescription drug reimbursement
2 rates to GoodRx, knowing that GoodRx would supply an artificially suppressed price.

3 (f) Defendants exchanged competitively sensitive, real-time, private,
4 confidential, and detailed prescription drug claim reimbursement information with
5 each other, including by using GoodRx's integrated reimbursement aggregator.

6 (g) Defendants multiplied the fees charged to independent pharmacies
7 by enabling both GoodRx and a patient's PBM to collect fees where, in the absence of
8 the scheme, only one could have collected a fee.

9 (h) The PBM Defendants evaded their obligations to independent
10 pharmacies under the effective rate guarantee clauses in the PBM-pharmacy contracts
11 by migrating a significant number of transactions that would otherwise be covered by
12 that guarantee to GoodRx's coupon program, which was excluded from the guarantee.

13 62. As a direct and proximate result of Defendants' unlawful conduct,
14 Plaintiff and Class Members have suffered injury to their business or property.

15 63. Plaintiff and the putative Class Members are entitled to recover treble
16 damages, interest on those damages, and reasonable attorneys' fees and costs under
17 Section 4 of the Clayton Act, 15 U.S.C. § 15.

18 IX PETITION FOR RELIEF

19 64. The Plaintiff petitions for the following relief.

20 (a) A determination that this action may be maintained as a class action
21 pursuant to Federal Rule of Civil Procedure 23, that Plaintiff be
22 appointed as class representative, and that Plaintiff's counsel be
23 appointed as class counsel on behalf of the Class;

24 (b) A determination that the conduct set forth herein is unlawful under
25 Section 1 of the Sherman Antitrust Act;

26 (c) A judgment and order requiring Defendants to pay treble damages
27 to the Plaintiff and members of the Class;

- 1 (d) An award of attorneys' fees and costs;
2 (e) An award of pre-judgment and post-judgment interest on all
3 amounts awarded; and
4 (f) Such other and further relief as the Court deems just and equitable.

5 **X. JURY DEMAND**

6 Plaintiff, on behalf of itself and the proposed putative Class, demands a jury trial
7 on all issues triable as of right before a jury
8

9 DATED: December 6, 2024

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11 By: /s/ Hung G. Ta

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